

Tenuta Cocci Grifoni

Section 1

Located between the Adriatic Sea and the Sibillini Mountains in Italy's Marche region, Tenuta Cocci Grifoni is a family-run winery. The company, which has been in business for more than a century, specialises in creating premium wines from locally grown grapes that are farmed sustainably on their estate, including Pecorino, Sangiovese, and Montepulciano. Cocci Grifoni is dedicated to environmental care and places a strong emphasis on biodiversity and organic procedures; its vineyards are certified organic.

The company's goal is to produce wines that honour the generations-old tradition of quality and attention to detail while showcasing the distinctive terroir of the area. The winery is currently run by the descendants of its founder, Guido Cocci Grifoni, who place a high priority on community values and family involvement. In addition to exporting its wines all over the world, Cocci Grifoni has entered the wine tourism industry by providing guests with immersive experiences in its vineyards and environs through its hospitality business, Relais Cocci Grifoni.

1) Industry and Competition Analysis:

The main competitors for Tenuta Cocci Grifoni are:

1. Italian Wine Producers:

Producers in the Marche Region: Regional rivals that focus on sustainable practices and produce comparable native grape varieties (such as Pecorino and Sangiovese), like wineries in the neighbouring areas of Abruzzo and Umbria.

Manufacturers of DOC and DOCG wines: Italian rivals that specialise in premium wines with specified origins. There are other well-known manufacturers that compete with Cocci Grifoni's products in well-known wine regions like Tuscany and Piedmont.

2. International "New World" Wine Producers:

There is fierce competition from major worldwide wine producers from "New World" countries including the United States (California), Argentina, Chile, South Africa, and Australia. These producers frequently have large-scale production capacity, strong brand recognition, and a global reach.

In order to compete with traditional European producers in global markets, some of these rivals ignore geographical characteristics (such as DOC and DOCG certifications) in favour of creating wines with greater versatility and wider appeal.

Cocci Grifoni is under pressure from both domestic and foreign producers, especially those who are expanding their sustainable and organic wine products, given the competition of the global wine industry.

2)SWOT Analysis:

1- Strength:

- **Heritage and Tradition:** With roots in the Marche area, Cocci Grifoni has over a century of winemaking experience. Particularly in a market that values tradition and origin, the brand gains authenticity and trust from its rich background and family-run business model.
- **Indigenous Grape Varieties:** The business focuses on growing uncommon native grape types, such as Pecorino, which it assisted in reviving. Because of this, it has a distinct product line that sets it apart from manufacturers who use more widely used types.
- **Quality and Control:** A consistently high-quality product is guaranteed by the company's active vineyard management and supply chain control. In the market for high-end wines, this is a crucial competitive advantage.

2-Weaknesses:

- **Smaller Scale:**Cocci Grifoni works on a smaller scale than major multinational "New World" wine producers, which can restrict its ability to make and distribute its wines worldwide. Because of economies of scale, larger competitors can frequently outbid them on price.
- **Price Sensitivity:** Because their wines are premium, particularly those with DOC and DOCG classifications, they may be more costly. This may put it at a competitive disadvantage to rivals selling less expensive wines without regional designations in markets where consumers are highly sensitive to pricing.
- **Dependence on Tradition:** Emphasising indigenous grapes and traditional winemaking techniques may be both a strength and a drawback. Younger, trend-driven audiences that value creativity and experimentation in winemaking can be more difficult for the business to appeal to.

3- Opportunities:

- **Rising Demand for Sustainable Products:** Cocci Grifoni's dedication to sustainability, biodiversity, and organic certification fits in nicely with consumer preferences since there is a growing trend towards environmentally conscious consumption. This is particularly advantageous in markets where buyers place a high value on environmentally friendly goods.
- **Expansion into New Markets:** Cocci Grifoni can focus on developing wine markets in Asia, North America, and South America, especially with younger consumers (ages 21 to 25) who are expressing a desire for high-end, genuine goods. In these areas, targeted social media advertising may aid in increasing brand awareness.
- **Enotourism (Wine Tourism):** Leveraging its Relais Cocci Grifoni hospitality division, the company can capitalise on ecotourism by offering unique wine, cultural, and natural experiences on its estate. Wine tourism is an expanding sector, especially in Europe, which could attract more customers directly and build loyalty.

4- Threats:

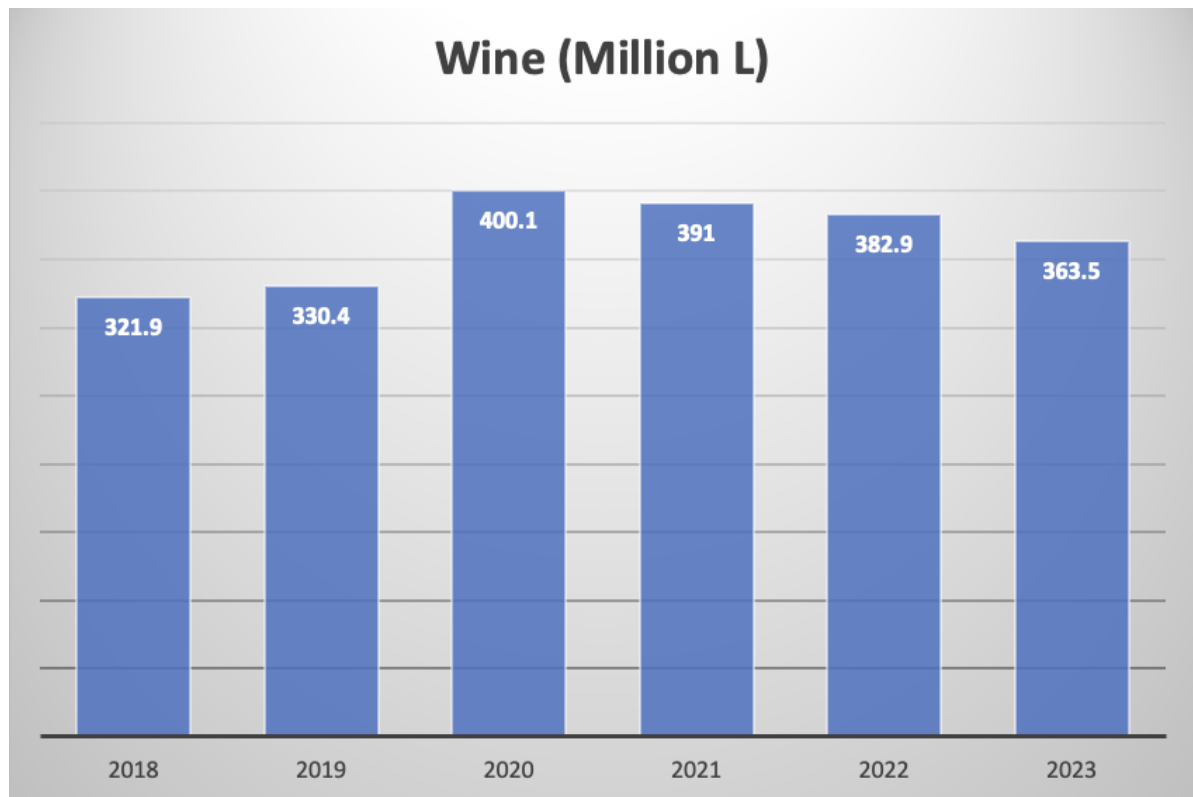
- **Intense Competition from "New World" Wines:** Smaller, more established producers find it challenging to compete with rivals from areas like the United States, Argentina, and Australia because of their vast resources, aggressive pricing, and robust international distribution networks.
- **Economic Uncertainty and Price Sensitivity:** During recessions, customers may place a higher value on price than heritage and quality, which could result in a decline in demand for premium wines. Sales may be impacted by this, especially in regions where consumers are price-sensitive.
- **Climate Change:** Variations in the climate can affect grape quality, harvest schedules, and vineyard yields. Due to its reliance on certain terroirs, Cocci Grifoni may have difficulties if the Marche region is affected by severe weather or temperature changes.
- **Changing Consumer Preferences:** Some younger consumers may gravitate toward wine alternatives, such as craft beers, spirits, or ready-to-drink beverages, which could reduce the younger demographic's interest in traditional wines.

New Market Selection and Analysis for Tenuta Cocci Grifoni

Recommended Market: Brazil

Rationale: Based on the analysis, Brazil stands out as a promising market in South America with strong demand for premium and sparkling wines, increasing interest in sustainable products, and an expanding young consumer base. Brazil's wine market is growing in the premium segment, with an increasing preference for unique, high-quality wines that align well with Tenuta Cocci Grifoni's offerings. The country's

geographic location allows manageable shipping logistics compared to other South American nations, and Brazil has a strong cultural inclination towards social gatherings, enhancing the appeal for wines during social occasions.



Essential Market Characteristics for Success in Brazil

1. **Geography and Shipping Costs:** Brazil's proximity to Italy allows for reasonable shipping times across the Atlantic. Major ports, like the Port of Santos, streamline importation logistics, though logistical costs may still impact the final pricing due to high import tariffs and taxes.
2. **Cultural Factors:** Wine consumption is rising, especially among young Brazilians in urban areas, with sparkling wines aligning well with Brazil's warm climate and social culture. The focus on premium experiences makes Italian wines attractive for special occasions and social events.
3. **Economic Factors:** Brazil's economy has faced challenges, but an increasing middle and upper class with disposable income, especially in urban centres like São Paulo, Rio de Janeiro, and Brasília, are keen on premium wines. Wine sales in Brazil saw a 5% increase in premium sparkling wines in 2023, with steady demand in urban markets.
4. **Trade Regulations and Certification Requirements:** Import tariffs are high in Brazil, and wines must meet stringent labelling and certification standards set by MAPA (Ministry of Agriculture, Livestock, and Food Supply). Italian wine certifications, such as DOC and DOCG, are recognized and valued,

potentially adding prestige to Cocci Grifoni's offerings. Partnering with local importers could help navigate bureaucratic hurdles.

Key Competitors in the Brazilian Market

1. Salton (Brazil):

- **Strengths:** Salton is a local brand with strong recognition, offering high-quality sparkling wines at competitive prices, capitalising on the demand for refreshing, affordable options.
- **Weaknesses:** Despite its local prominence, it lacks the Italian heritage appeal, making it more competitive in the mass market than in the premium imported wine segment.
- **Pricing & Promotion:** Pricing is competitive, with a strong focus on mid-tier wines. Salton uses social media and local events to promote, connecting well with younger consumers.

2. Concha y Toro (Chile):

- **Strengths:** Known for high quality and affordability, Concha y Toro has robust distribution networks and is favoured in the imported wine market.
- **Weaknesses:** Although widely recognized, it lacks the premium appeal of Italian wines in Brazil's upper market segment.
- **Pricing & Promotion:** Concha y Toro is price-competitive and strategically promoted through online platforms, leveraging brand visibility across multiple price segments.

3. Chandon (France):

- **Strengths:** As a premium brand, Chandon dominates the sparkling wine segment, which aligns well with Brazilian consumer tastes.
- **Weaknesses:** Higher pricing positions Chandon as a luxury option, which limits its accessibility among younger consumers.
- **Pricing & Promotion:** Focuses on premium positioning, using social media influencers and upscale events to engage Brazil's affluent market.

Relevant Market Factors for Success

1. Cultural:

- **Social Drinking:** Wine is increasingly popular among young Brazilians for social events. Sparkling wines, especially, are favoured during gatherings and celebrations, aligning well with Cocci Grifoni's offerings.
- **Appreciation for Imports:** Imported wines, particularly Italian ones, have prestige in Brazil. Italian heritage is associated with quality and luxury, which aligns well with Tenuta Cocci Grifoni's brand.

2. Legal and Political:

- **High Import Taxes:** Import duties on wine can reach up to 27%, significantly increasing retail prices. To mitigate this, forming partnerships with local distributors could be advantageous.
 - **Regulatory Compliance:** Brazilian wine import regulations require adherence to strict labelling standards, including nutritional information, country of origin, and alcohol content. Italian certifications can enhance brand credibility but must be clearly displayed on labels.
3. **Economic:**
- **Growing Middle-Class Demand:** Despite economic challenges, Brazil has a growing middle class with disposable income, particularly in cities like São Paulo and Rio. This demographic is interested in premium wines for special occasions and social consumption.
 - **Trend Toward Premium Products:** Brazil's wine market is experiencing a shift toward premium and imported products, with sparkling wine volume sales up by 5% in 2023. Economic stability in urban areas has supported demand for premium options, making Italian wines attractive for consumers seeking quality.
4. **Consumer Tastes and Preferences:**
- **Preference for Premium and Sparkling Wines:** Brazil's climate and social culture support a preference for refreshing, sparkling wines over heavy reds. Cocci Grifoni's sparkling and light white wines would cater well to this preference, especially for younger audiences looking for high-quality, refreshing options for warm-weather occasions.
 - **Interest in Authenticity and Heritage:** Young Brazilian consumers show a rising appreciation for products with history and authenticity. Cocci Grifoni's Italian heritage and focus on traditional grape varieties would appeal to this demographic, setting it apart from local brands and non-European imports.
 - **Sustainability:** Environmental awareness is growing in Brazil, and Cocci Grifoni's sustainable practices could appeal to eco-conscious consumers, especially younger ones who value responsible production methods.

Recommended Strategy for Entering the Brazilian Market

1. **Positioning:**
 - Market Tenuta Cocci Grifoni as a premium Italian wine brand with a commitment to sustainability and tradition, leveraging the prestige of Italian heritage. Emphasise the winery's eco-friendly practices and unique Italian varietals to appeal to younger consumers who value authenticity.
2. **Distribution:**
 - Partner with established wine distributors in Brazil to navigate the complex import and regulatory environment. Distributors with

experience in high-end imported wines can help ensure compliance with Brazilian regulations and effectively manage the logistics of high tariffs.

- Consider exclusive partnerships with upscale restaurants and premium retail stores in urban centres like São Paulo and Rio de Janeiro to build brand prestige.

3. Promotion:

- Use social media campaigns focused on Brazilian platforms (e.g., Instagram, WhatsApp) to engage younger consumers. Influencer marketing, particularly with local celebrities and lifestyle influencers, can boost brand awareness.
- Host wine-tasting events or sponsor upscale social events, particularly targeting the “happy hour” crowd that prefers lighter wines. Digital campaigns emphasising Italian heritage, sustainability, and premium quality would resonate with Brazil’s young wine drinkers.

4. Pricing Strategy:

- Due to high import taxes, positioning Tenuta Cocci Grifoni in the upper-mid to premium price range is recommended. Limited-time offers or discounts for first-time online buyers could attract a broader audience without compromising brand prestige.

Conclusion

Brazil represents an ideal market for Tenuta Cocci Grifoni, with a rising demand for premium, sustainable, and authentic wines. With a strong distribution strategy, culturally tailored marketing, and a focus on Brazil’s preference for sparkling wines and lighter varietals, Cocci Grifoni can successfully establish a foothold in the Brazilian market. Key urban centres, such as São Paulo and Rio de Janeiro, with a young, socially active population, are likely to be most receptive to the brand’s offerings.

